

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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IN RE: : Case No. 01-16034 (AJG)
: Jointly Administered
ENRON CORP., ET AL., :
:
Debtors. :
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**ORDER DEFINING DUTIES OF EXAMINER TO BE APPOINTED PURSUANT
TO FEBRUARY 21, 2002 ORDER DIRECTING
APPOINTMENT OF AN EXAMINER IN ENRON NORTH AMERICA CORP.**

The Court having *sua sponte* issued an Order Directing Appointment of an Examiner in Enron North America Corp. ("ENA" and the "ENA Examiner"), and the Court having provided the parties that participated in the hearing that resulted in the Amended Cash Management Order an opportunity to submit recommendations as to the duties of the ENA Examiner, and the Court having received such recommendations, it is therefore:

ORDERED that, if the ENA Examiner determines that he/she needs to retain counsel and other professionals to discharge his/her duties, the ENA Examiner may seek to retain such professional(s) by filing an application on three (3) business days' notice to the parties specified in the Amended Case Management Order (and the rights of any party in interest to object to such retention are expressly preserved); and it is further

ORDERED that the ENA Examiner and any counsel or other professionals retained by the ENA Examiner pursuant to an order of this Court will be compensated from the ENA bankruptcy estate; and it is further

ORDERED that the ENA Examiner's compensation shall be subject to further order of the Court; and it is further

ORDERED that the ENA Examiner shall have the duties, powers and responsibilities of an examiner under section 1106(b) of the Bankruptcy Code provided, however, that consistent with the Court's February 21, 2002 Order, the scope of the ENA Examiner's duties, unless expanded or limited by further order of this Court, shall be limited to the preparation of a report, including a recommendation (the "Cash Management Report"), regarding the issues concerning (i) ENA's continued participation in the Enron centralized cash management system, (this analysis would include, without limitation, whether and to what extent assets exist subject to the Junior Lien, as that term is defined on the Amended Cash Management Order, for repayment of ENA cash advances made and/or to be made to other Debtors under the Amended Cash Management Order) and (ii) the allocation of certain overhead costs to ENA, including, but not limited to, any allocation for the use of any intellectual property; and it is further

ORDERED that the Cash Management Committee and the Risk Assessment Committee shall not hold meetings without notice to the ENA Examiner and an opportunity for the ENA Examiner or his/her representative to be present and participate; and it is further

ORDERED, that the ENA Examiner shall participate in all meetings of the Enron Corp. Cash Management Committee and the Risk Assessment Committee relevant to the assets and cash of ENA, unless the ENA Examiner is not able to participate in all such meetings; and it is further

ORDERED that the ENA Examiner shall immediately report to this Court any expenditure that he/she deems to be improper; and it is further

ORDERED that the ENA Examiner shall file with this Court a weekly list of all deposits and disbursements made into and out of the Consolidation Account, as that term is defined in the Amended Cash Management Order; and it is further

ORDERED that Debtors shall provide the ENA Examiner with all documents and information relevant to their cash management decisions since the bankruptcy filing date, including without limitation, any documents and information that is provided by Debtors to the Official Committee of Unsecured Creditors (the "Creditors' Committee") or the DIP lenders under the Amended Cash Management Order; and it is further

ORDERED that all of the captioned Debtors and their professionals, including the captioned Debtors' direct and indirect affiliates and subsidiaries, and the Creditors' Committee and its professionals shall cooperate fully with the ENA Examiner, and the Debtors shall provide the ENA Examiner all documents and information that he/she deems relevant to discharge his duties under this Order, or as such duties that may be expanded or limited by this Court; and it is further

ORDERED that the ENA Examiner (a) shall be a "party in interest" with respect to the matters that are within the scope of his/her duties pursuant to this Order, or such duties that may be expanded by this Court; and (b) shall be entitled to appear at hearings held in these cases and to be heard, at such hearings, in both instances with respect to matters that are within the scope of his/her duties; and it is further

ORDERED that the ENA Examiner shall also be entitled to conduct expedited discovery and compel production of documents from any Debtor or subsidiary of a Debtor, under the Federal Rules of Bankruptcy Procedure and the Federal Rules of Civil Procedure, as made applicable hereto, and shall have the power to issue subpoenas seeking documents and/or information, in all instances to the extent relevant to the performance of his/her duties hereunder, or such duties that may be expanded by this Court; and it is further

ORDERED that the Cash Management Report shall be filed with this Court within twenty (20) business days of the entry of the Order approving the appointment of the ENA Examiner; and it is further

ORDERED that a determination of the necessity or advisability of any subsequent report regarding the Debtors' cash management will be addressed following the submission of the Cash Management Report; and it is further

ORDERED that notwithstanding the foregoing, the ENA Examiner shall file with the Court and serve on ENA creditors requesting same and American Home Assurance, not less than monthly, and more often if the ENA Examiner deems it appropriate, a written report regarding the status of ENA Cash (as hereinafter defined), including gross and net collections and expenditures and the status of ENA assets and liabilities; and it is further

ORDERED that for purposes of this Order, the term "ENA Cash" or "cash of ENA" shall mean all cash, and cash equivalent assets, ever belonging to ENA, or arguably ever belonging to ENA, proceeds of the sale of assets belonging to ENA, and advances from direct and indirect subsidiaries and affiliates of ENA, including entities in which ENA has an equity interest, and shall specifically include, without limitation, the proceeds of ENA Cash as the same may have been or may be advanced, from time

to time, to Enron Corp. or to other Enron Corp. direct and indirect subsidiaries and affiliates; and it is further

ORDERED that nothing in this Order is intended to restrict this Court's ability to expand or limit the duties of the ENA Examiner appointed herein *sua sponte*, or limit the ability of any party in interest to move this Court to expand or limit the duties of the ENA Examiner, upon motion and a hearing.

Dated: New York, New York
March 6, 2002

s/Arthur J. Gonzalez
Arthur J. Gonzalez
United States Bankruptcy Judge